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12 **UNITED STATES DISTRICT COURT**

13 **DISTRICT OF NEVADA**

14 * * *

15 EMPLOYERS FIRE INSURANCE) Case No.: 2:10-cv-001109-JCM-VCF
16 COMPANY)
17 Plaintiff/ Counter-Defendant,)
18 vs.)
19 BASIC FOOD FLAVORS, INC.)
20 Defendant/Counter-Claimant.)
21 _____

22 **JOINT STATUS REPORT**

23 Pursuant to this Court's November 3, 2011 Minute Order [Doc. No. 63],
24 Plaintiff/Counter-Defendant EMPLOYERS FIRE INSURANCE COMPANY ("EFIC") and
25 Defendant/Counterclaimant BASIC FOOD FLAVORS, INC. ("BFF"), by and through their
26 respective counsel of record, submit the following Joint Status Report:

27 **1. Set Forth the Status of this Action, Including a List of Any Pending Motions
28 And/or Other Matters Which Require the Attention of this Court.**

29 This insurance coverage action by EFIC seeks declaratory relief on an insurance policy
30 issued by EFIC to BFF in relation to alleged losses asserted by numerous third-party claimants
31 ("Claimants") stemming from the recall of certain hydrolyzed vegetable protein ("HVP")
32 manufactured by BFF.

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1 The parties have been participating in a global settlement process in hopes that a fair
2 resolution would be reached between BFF and EFIC, and the Claimants. Two previous
3 settlement conferences have been held. On September 9, 2011, BFF, EFIC, and the
4 interested Claimants attended the third settlement conference before U.S. Magistrate Judge
5 Lawrence Leavitt [Doc. No. 61]. During the Court's recess, discussions among the attendees
6 were made regarding the BFF Valuation Report and the Claims Evaluation Report, as
7 presented by the neutral administrator, Buccino & Associates ("Buccino"). Although there was
8 significant progress, no settlement was reached. A follow-up conference was scheduled for
9 December 5, 2011. However, due to the reassignment of this case to a new Magistrate
10 Judge, [Doc. No. 62] the Court had to reschedule for February 10, 2012 at 9:30 a.m.

11 BFF and EFIC have been in continued communications with the Claimants providing
12 various settlement proposals. However, they are in need of additional time to complete a
13 voting process by Claimants of BFF's proposal. This will also allow BFF to engage additional
14 counsel to advise on bankruptcy issues necessary to realize a reasonable solution on all
15 claims. After much deliberation, BFF would provide its final proposal by February 3, 2012 to
16 Buccino, who in turn would distribute same to all Claimants by February 6, 2012 for approval.
17 Claimants are then requested to submit their decisions to Buccino by February 16, 2012. The
18 final certification of the voting results by Buccino is expected on or before February 22, 2012.

19 On January 25, 2012, BFF and EFIC submitted a Stipulation (and Proposed Order) for
20 Continuance of Settlement Conference [Doc. No. 64]. The stipulation outlines the
21 aforementioned dates, including a proposed status check to either place settlement on record
22 or advise the Court of further proceedings.

23 On January 26, 2012, the Court entered the order for the new settlement conference
24 which is now set for March 27, 2012 at 9:30 a.m. All participating parties will be notified
25 accordingly.

26 **2. Include a Statement by Counsel of Action Required to Be Taken by this Court.**

27 No action is required to be taken by this Court at this time.

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1 **3. Include as Attachments Copies of Any Pending Motions, Responses and Replies**
2 **Thereto And/or Any Other Matters Requiring the Court's Attention**

3 There are no pending motions requiring the Court's attention.

4

5 Dated this 27th day of January, 2012.

6 WILSON ELSER MOSKOWITZ EDELMAN &
7 DICKER, LLP

8 By: /s/ Joseph F. Bermudez

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5 Dated this 27th day of January, 2012.

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